

Message Text

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INFO AMEMBASSY BERN

AMCONSUL MONTREAL

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY VIENNA

USMISSION IAEA VIENNA

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MONTREAL FOR ICAO; PARIS FOR NESCO; ROME FOR FODAG; VIENNA FOR UNIDO

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SUBJECT: GENEVA GROUP ELEVENTH CONSULTATION LEVEL MEETING - PM
SESSION, FEB 6, 1974 - ITEM VII

1. SUMMARY: US IN CHAIR. FRG DEL NOTED CERTAIN PROBLEMS ARISING FROM PROGRAM BUDGETING AND BIENNIAL BUDGET CYCLE. SWISS DEL COMMENTED ON EFFECTS OF CURRENCY FLUCTUATION IN UN, CONCLUDING THAT US DOLLAR SHOULD REMAIN MAJOR CURRENCY IN UN SYSTEM. JAPANESE DEL, NOTING PROBLEMS THAT HAD ARISEN IN CONNECTION WITH ESTABLISHMENT OF INTERNATIONAL CIVIL SERVICE COMMISSION (ICSC) NEVERTHELESS EXPRESSED VIEW THAT MATTER SHOULD NOT BE DISCARDED. JAPAN INTRODUCED QUESTION
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OF CHANGING GENERAL GENEVA GROUP CHAIRMANSHIP AND GROUP AGREED REFER

MATTER TO PERM REPS GENEVA FOR APPROPRIATE CONSULTATION. HOPE EXPRESSED THAT GG (GENERAL) WOULD CONSIDER MATTERS RE AGENCIES (E.G. ITU, WIPO) FOR WHICH NO EXISTING LOCAL GENEVA GROUP. UK, REVERTING TO AGENDA ITEM III, OFFERED PREPARE GUIDANCE BRIEF FOR FAO LOCAL LOCAL GENEVA GROUP. END SUMMARY..

2. PROGRAM BUDGETING AND BIENNIAL BUDGET CYCLE - FRG STATEMENT. FRG SAID BUDGET AND PROGRAM ARE CONSIDERED EQUIVALENT WITH RESULT THAT EVERY ATTEMPT TO REDUCE BUDGET TENDS TO BE EQUATED AS AN ATTACK ON THE AGENCY PROGRAM. TO EXTENT USE OF BUDGET NO LONGER TIED TO EXPENDITURES BUT RATHER TO PROGRAM TARGETS, ECONOMIC USE OF FUNDS NEGLECTED. SUCH AN APPROACH ALMOST OBLIGES AGENCY EXECUTIVE HEADS TO SPEND ALL AUTHORIZED FUNDS LEST THEY BE CRITICIZED FOR SABOTAGING PROGRAMS. FRG EMPHASIZED THAT GOOD MANAGEMENT WOULD LEAD TO BETTER PROGRAMS POSSIBLY AT LESSER COST. BUT GOOD MANAGEMENT REQUIRES KNOWLEDGE OF ALL EXPENSES BY CATEGORY (E. G. SALARIES AND EXPENSES PROGRAM, TRAVEL). THEY STRESSED IMPORTANCE OF HAVING AVAILABLE ADEQUATE DETAIL IN ORDER TO ALLAY LDC FEARS THAT ECONOMIES LEAD INEVITABLY TO CUTS IN PROGRAM. FRG SAID THAT IN LIGHT OF INFLATION AND CURRENCY FLUCTUATION, BIENNIAL BUDGET CYCLE WAS PERHAPS NOT AS USEFUL AS ORIGINALLY THOUGHT. FRG ADDED THAT WERE ALL BIENNIAL AGENCY BUDGETS CONSIDERED IN SAME YEAR (WHICH THEY ARE NOT), IT WOULD BE NEARLY IMPOSSIBLE FOR GOVERNMENTS TO GIVE EACH THE DETAILED ATTENTION IT DESERVED. THE GROUP AGREED THAT EXCHANGES OF VIEWS ON THESE SUBJECTS SHOULD TAKE PLACE IN LOCAL GGS AND AT THE 12TH CONSULTATION LEVEL MEETING NEXT YEAR.

3. CURRENCY FLUCTUATION - SWISS STATEMENT. (TEXT BEING CIRCULATED AS ANNEX TO NOTE ON MEETING). SWISS DEL READING FROM PREPARED STATEMENT, NOTED THAT CURRENCY CLUCTUATIONS AND INFLATION HAD LED CERTAIN INTERNATIONAL ORGANIZATIONS TO SEEK WAYS OF AMELIORATING THE EFFECT OF THESE FORCES BY SUCH MEANS AS REPLACEMENT OF US DOLLAR AS THE DUBDETARY UNIT OR THE CREATION OF SPECIAL FUNDS TO FINANCE EXCHANGE LOSSES. A THOROUGH STUDY BY SWISS AUTHORITIES LED THEM TO THE CONCLUSION THAT THE DOLLAR WAS STILL BE BEST BUDGETARY UNIT. TO REPLACE IT WITH THE SWISS FRANC AS HAD BEEEN SUGGESTED WOULD PLACE A BURDEN ON THE FRANC THAT THE SWISS ECONOMIC POTENTIAL WOULD NOT SUPPORT. FURTHERMORE, THEY SAID, THE NEAR WIDE ACCEPTANCE OF THE DOLLAR AS BUDGETARY UNIT IN THE UN FAMILY WAS PREFERABLE TO HAVING DIFFERENT BASES WHICH WOULD INVOLVE CREATION OF ADMINISTRATIVE

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ORGANS TO REGULATE EXCHANGE RATES. IT WAS PREFERABLE TO HAVE A DOLLAR-BASED SYSTEM THAT WOULD BE FLEXIBLE ENOUGH TO PERMIT MEMBER STATES TO BENEFIT FROM GAINS RESULTING FROM CURRENCY FLUCTUATIONS OR TO MAKE UP LOSSES. PRESENT PRACTICE OF PAYMENT BY MEMBERS TATES IN DOLLAR OR ANOTHER OF THE ACCEPTABLE CURRENCIES WAS MUCH MORE PREFERABLE THAN A SYSTEM THAT WOULD REQUIRE EACH STATE TO APY A SPECIFIC CURRENCY. THE FRG NOTED THAT THE MATTER OF CURRENCY FLUCTUATION WAS UNDER STUDY AT NEW YORK AND COULD BE EXPECTED TO BE CONSIDERED

BY GA LATER THIS YEAR. THEY SHARED HESITATION OF SWISS TO ESTABLISH NEW STANDARDS. THE US SUGGESTED AND THE GROUP AGREED THAT THE ISSUE BE DISCUSSED AT LOCAL GENEVA GROUPS AND THAT SWISS PAPER BE CIRCULATED FOR CONSIDERATION IN CONNECTION WITH THE WORK OF CURRENCY INSTABILITY AT THE UN AT NEW YORK.

4. INTERNATIONAL CIVIL SERVICE COMMISSION - STATEMENT BY JAPAN. THE JAPANESE DELEGATION NOTED THAT GA LAST YEAR REQUESTED THE SECGEN TO DRAFT A ICSC STATUE FOR MEMBER STATES AND TO REPORT TO THE 1974 GA SESSION. ON ESSENTIAL QUESTION TO BE RESOLVED WAS HOW TO SELECT THE COMMISSION. WHILE ANTICIPATING DIFFICULTIES IN GA, JAPAN URGED THAT IDEA OF ICSC NOT BE DISCARDED AND PROPOSED THAT CONSENSUS OF MEMBER STATES BE SOUGHT. THE FRG SAID THAT THEY WISHED TO AVOID LEAVING TOO MUCH DISCRETION IN CHOICE OF COMMISSION MEMBERS TO SECGEN AND EXECUTIVE HEADS OF AGENCIES. US DEL ENDORSED THE FOCUS ON PERSONNEL MANAGEMENT, EXPRESSED DISAPPOINTMENT IN GA ACTION TO DATE, AND PROMISED TO FOLLOW MATTER CLOSELY IN HOPE THAT POSITIVE IMPROVEMENTS CAN BE BROUGHT ABOUT. THE ITALIAN DEL WISHED TO KNOW THE PREVAILING VIEWS OF GG MEMBERS, PARTICULARLY AS TO WHETHER THEY FAVORED THE ESTABLISHMENT OF A COMMISSION WITH THREE FULL AND TEN TEMPORARY MEMBERS OF ALTERNATIVELY WITH A CHAIRMAN, A DEPUTY AND OTHER MEMBERS WITH EQUAL STATUS. FRANCE NOTED EXISTANCE DIFFERENCES OF VIEW AND WONDERED WHETHER EFFORTS SHOULD NOT BE MADE TO ELIMINATE THEM BEFORE NEXT GA. THEY EXPRESSED HOPED THAT PRINCIPLE OF EQUALITY OF ICSC MEMBERS BE RETAINED AND URGED THAT LOCAL GGS EXCHANGE VIEWS IN ORDER TO REACH MAXIMUM ACCORD BEFORE NEXT SEPTEMBER. CANADA SUGGESTED THAT DISCUSSIONS ON ICSC SHOULD BE CARRIED ON NOT ONLY IN GG BUT AT NEW YORK AND IN CAPITALS. THE NETHERLANDS AGREED WITH CANADA AND POINTED OUT THAT ICSC QUESTION WAS JUST ONE MORE DEMONSTRATION OF DESIRABILITY OF HAVING A GG CONSTITUTED AT NY. JAPAN SUPPORTED CANADIAN AND NETHERLANDS SUGGESTIONS POINTING OUT NOT ONLY DESIRABILITY OF HAVING EXCHANGES OF VIEWS IN GGS AND NEW YORK BUT OF HAVING AN INFORMATION LINK BETWEEN

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GROUPS DISCUSSING THE MATTER.

5. CO-CHAIRMANSHIP OF GENEVA GROUP - JAPANESE STATEMENT. JAPAN DELICATELY RAISED THE QUESTION AS TO WHETHER PRESENT ARRANGEMENTS FOR US-UK CHAIRMANSHIP CONTINUED TO MEET THE NEEDS OF THE GROUP AND PROPOSED THAT CONSULTATIONS BE UNDERTAKEN THAT MIGHT INCLUDE NOT ONLY THE CO-CHAIRMANSHIP ISSUE BUT ALSO THE STRUCTURAL PROBLEMS OF THE GROUP. ITALY RECOGNIZED THAT THE TIME MAY HAVE COME FOR THE GROUP TO REVIEW ITS STRUCTURE, OBSERVED THAT IT WAS IMPORTANT THAT THANG, IF ANY, NOT PUT CERTAIN MEMBERS AT A RELATIVE DISADVANTAGE AND ENCOURAGED THE GROUP TO EXCHANGE VIEWS ON THE MATTER. THE ISSUE APPEARED MORE COMPLICATED THAN A SIMPLE CHANGE IN CHAIRMANSHIP AND SHOULD BE CAREFULLY STUDIED. THE FRG AGREED GENERALLY WITH THE ITALIAN STATEMENT AND STRESSED THAT CONTINUITY OF GG ACTIVITIES WAS VERY IMPORTANT. CANADA SUGGESTED THAT EXCHANGES OF VIEWS ON THIS

MATTER MIGHT BEST BE DONE IN A SMALLER GROUP - SAY AT THE HEAD OF MISSION LEVEL IN RESTRICTED MEETINGS. BELGIUM AND AUSTRALIA CONCURRED WITH CANADA. THE US STATED ON BEHALF OF CO-CHAIRMEN THAT THEIR MAIN INTEREST WAS THAT GENEVA GROUP PROSPER AND THAT EITHER WAS WILLING TO STEP DOWN IF THAT SEEMED BEST TO SERVE THIS END.

6. ACTING UPON CANADIAN INITIATIVE, THE GROUP AGREED THAT AT SOME APPROPRIATE TIME CONSIDERATION BE GIVEN BY GENEVA GROUP (GENERAL) TO MATTERS RELATING TO AGENCIES (E. G. ITU, WIPO, IUOTO) FOR WHICH THERE WAS NO LOCAL GENEVA GROUP.

7. ITALY RECOMMENDED THAT AGENCY REPORTS SUBMITTED GENEVA GROUP (CONSULTATION LEVEL) INCLUDE ON FIRST PAGE THE OVERALL BUDGET FIGURES FOR THE AGENCY.DALE

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